



General Assembly

January Session, 2001

Raised Bill No. 6859

LCO No. 4185

Referred to Committee on Labor and Public Employees

Introduced by:
(LAB)

***AN ACT ENHANCING BENEFITS IN THE POLICE OFFICER AND
FIREFIGHTER'S SURVIVORS BENEFIT FUND AND THE MUNICIPAL
EMPLOYEES RETIREMENT SYSTEM.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 5-166a of the general statutes is repealed and the
2 following is substituted in lieu thereof:

3 Any person who is appointed a judge of the Supreme Court or
4 Superior Court, or, prior to July 1, 1978, was appointed to the Common
5 Pleas, Circuit or Juvenile Court and who has, at the time of [his]
6 appointment, at least ten years of state service to [his] such person's
7 credit for purposes of the state employees retirement system may, at
8 any time within twelve years after initial appointment as a judge to
9 any of such courts, elect to remain, or, if [he] such person has
10 withdrawn from said system, to be reinstated upon payment of
11 contributions as provided in section 5-167, as a member of the state
12 employees retirement system in lieu of participation in the benefits of
13 sections 51-49 to 51-50b, inclusive, and 51-51, and to make
14 contributions to the State Employees Retirement Fund based upon
15 [his] such person's salary as such judge and to receive credit for

16 retirement purposes in said system for the period of service as such
 17 judge. Any contributions made under section 51-50b by any such judge
 18 prior to such election shall be transferred from the General Fund to the
 19 State Employees Retirement Fund and such judge shall be credited, for
 20 purposes of retirement under the state employees retirement system,
 21 with the period of [his] such person's service as a judge. The
 22 contributions to the state employees retirement system of any such
 23 person who does not elect to remain or be reinstated in the state
 24 employees retirement system during such twelve-year period or who,
 25 during such period, dies or indicates, in writing, [his] an intention not
 26 to remain or be reinstated in such system shall be refunded to such
 27 person or to [his] such person's named beneficiary or, if none, [his]
 28 such person's estate, as the case may be. Any such refunds processed
 29 on or after January 1, 2001, shall include interest credited in accordance
 30 with the provisions of subsection (b) of section 5-166. Notwithstanding
 31 the provisions of this chapter or chapter 872, any retired state
 32 employee who is appointed a judge and who resigns prior to
 33 retirement as a judge shall not receive a reduction in the amount of
 34 retirement income or retirement benefits that [he] such person would
 35 have received had [he] such person remained a retired state employee,
 36 including any cost of living allowance granted to retired state
 37 employees.

38 Sec. 2. Section 7-323e of the general statutes is repealed and the
 39 following is substituted in lieu thereof:

40 (a) When any full-time paid [policeman or fireman] police officer or
 41 firefighter who was covered by the provisions of this part dies, either
 42 before or after retirement, the surviving spouse of such [policeman or
 43 fireman] police officer or firefighter shall, until the death or remarriage
 44 of such spouse, receive out of the fund a monthly sum equal to
 45 [twenty-five] thirty per cent of the compensation of such [policeman or
 46 fireman] police officer or firefighter.

47 (b) During any period in which such spouse has one dependent

48 child under eighteen years of age, provided such child was dependent
49 on such [policeman or fireman] police officer or firefighter at the time
50 of death, such spouse shall receive from the fund an additional
51 monthly sum equal to [twelve and one-half] fifteen per cent of the
52 compensation of such [policeman or fireman] police officer or
53 firefighter.

54 (c) During any period in which such spouse has two or more
55 dependent children under eighteen years of age, provided such
56 children were dependent on such [policeman or fireman] police officer
57 or firefighter at the time of [his or her] death, such spouse shall receive
58 from the fund an additional monthly sum equal to [twenty-five] thirty
59 per cent of the compensation of such [policeman or fireman] police
60 officer or firefighter.

61 (d) If no spouse survives such [policeman or fireman] police officer
62 or firefighter who, at death, has one or more dependent children under
63 eighteen years of age, or upon the death or remarriage of the spouse
64 while receiving monthly payments with respect to one or more
65 dependent children as hereinbefore described, the Retirement
66 Commission shall cause to be paid to the legal guardian of such
67 dependent child or children under eighteen years of age, or in its
68 discretion to the spouse if such spouse remarries, for the sole use and
69 benefit of such child or children a monthly sum equal to [twenty-five]
70 thirty per cent of compensation in the case of one such child and
71 [thirty-seven and one-half] forty-five per cent of compensation in the
72 case of two or more children. In any case where payments under this
73 section are being made with respect to one or two such children, as
74 each such child reaches eighteen years of age payment as to such child
75 shall cease.

76 (e) If no spouse or no dependent child or children under eighteen
77 years of age survive such [policeman or fireman] police officer or
78 firefighter, and such [policeman or fireman] police officer or firefighter
79 is survived by a dependent father or mother, they shall receive, in a

80 manner determined by the Retirement Commission, a monthly sum
81 from the fund equal to that herein provided to be received by a spouse
82 without dependent children, provided, no child or children shall be
83 entitled to receive double benefits by reason of the death of both
84 parents and such child or children shall receive the highest benefit
85 payable by reason of the death of either parent. If no spouse or no
86 dependent child or children under eighteen years of age and no
87 dependent father or mother survive such [policeman or fireman] police
88 officer or firefighter, and such [policeman or fireman] police officer or
89 firefighter is survived by a beneficiary designated by such [policeman
90 or fireman] police officer or firefighter prior to death on a form
91 prescribed by the Retirement Commission, such beneficiary shall
92 receive an amount equal to the deceased's contributions under section
93 7-323c without interest. If no named beneficiaries survive such
94 [policeman or fireman] police officer or firefighter the aforesaid
95 contributions, without interest, shall be paid to the executor or
96 administrator of such deceased [policeman or fireman] police officer or
97 firefighter, or, at the option of the Retirement Commission, in
98 accordance with the terms of section 45a-273.

99 Sec. 3. Section 7-436 of the general statutes is amended by adding
100 subsection (e) as follows:

101 (NEW) (e) On and after January 1, 2002, the following formula shall
102 be used for the purpose of calculating the monthly allowance of each
103 member covered by the Old Age and Survivors Insurance System on
104 the first of the month after such member becomes eligible for Social
105 Security or until such member qualifies for a Social Security disability
106 award, if earlier: One-twelfth of one and one-half per cent of such
107 member's final average earnings up to the breakpoint for the year in
108 which such member retired plus two per cent of such member's final
109 average earnings in excess of the breakpoint for the year in which such
110 member retired, multiplied by such member's years of retirement
111 credit and fractions thereof. Such allowance shall be reduced in
112 recognition of any optional form of retirement income elected in

113 accordance with section 7-439g. For the purposes of this subsection,
114 "breakpoint" has the same meaning as "year's breakpoint" in subsection
115 (a) of section 5-192f.

116 Sec. 4. Section 7-439b of the general statutes is repealed and the
117 following is substituted in lieu thereof:

118 (a) On July 1, 1986, and on July first of each subsequent year the
119 State Retirement Commission shall adjust the retirement allowance of
120 each member of the Municipal Employees' Retirement Fund and any
121 annuitant who is receiving benefits under the provisions of this part to
122 include a cost of living increase. There shall be an annual actuarial
123 determination of the increase by determining the annual yield on the
124 assets of the fund. In determining the yield, the actuary shall use an
125 adjusted asset value, such that the market values of assets are adjusted
126 to recognize a portion of realized and unrealized gains or losses each
127 year until fully recognized. The amount of the increase, as a percentage
128 of retirement allowance, shall be the excess of the annual yield over a
129 six per cent yield, provided no increase granted under the provisions
130 of this section shall be less than three per cent nor more than five per
131 cent. Each such member shall receive the increases beginning on the
132 first July first following the member's sixty-fifth birthday. Each such
133 annuitant shall receive the increases beginning on the first July first
134 following the date the deceased member would have reached the age
135 of sixty-five. Any member who retired for disability under the
136 provisions of section 7-432 shall receive the increases beginning July 1,
137 1986.

138 (b) Notwithstanding any provision of the general statutes, each
139 member of the Municipal Employees Retirement Fund who retires on
140 or after January 1, 2002, shall receive a cost of living increase beginning
141 on the first July first following such member's retirement date and on
142 each subsequent July first. Such increase shall be not less than two and
143 one-half per cent and not more than six per cent, based upon the
144 following formula: Sixty per cent of the annual increase in the

145 consumer price index for urban wage earners and clerical workers for
146 the immediately preceding twelve-month period up to six per cent,
147 plus seventy-five per cent of the annual increase in such index for the
148 same period over six per cent. In the event a member who retires on or
149 after January 1, 2002, becomes deceased, such cost of living adjustment
150 shall be applied to the allowance of the annuitant, if any. The
151 provisions of this subsection do not apply to members who retired
152 under the provisions of section 7-432.

153 (c) Notwithstanding any provision of the general statutes, each
154 member of the Municipal Employees Retirement Fund who retires
155 prior to January 1, 2002, and has not attained age sixty-five shall
156 receive on July 1, 2002, and on July first of each subsequent year a cost
157 of living increase equal to two and one-half per cent. In the event that a
158 member who retires prior to January 1, 2002, becomes deceased, such
159 cost of living increase shall be applied to the allowance of the
160 annuitant, if any. The cost of living increase provided for in this
161 subsection shall continue until the July first following the member's
162 sixty-fifth birthday, at which point the formula set forth in subsection
163 (a) of this section shall become operative. The provisions of this
164 subsection do not apply to members who retired under the provisions
165 of section 7-432.

166 Sec. 5. Subdivision (5) of section 7-425 of the general statutes is
167 repealed and the following is substituted in lieu thereof:

168 (5) "Member" means any regular employee or elective officer
169 receiving pay from a participating municipality, and any regular
170 employee of a free public library [which] that receives part or all of its
171 income from municipal appropriation, who has been included by such
172 municipality in the pension plan as provided in section 7-427, but shall
173 not include any person who customarily works less than twenty hours
174 a week if such person entered employment after September 30, 1969,
175 any police officer or firefighter who will attain the compulsory
176 retirement age after less than [ten] five years of continuous service in

177 fund B, any teacher who is eligible for membership in the state
178 teachers retirement system, any person eligible for membership in any
179 pension system established by or under the authority of any special act
180 or of a charter adopted under the provisions of chapter 99, or any
181 person holding a position funded in whole or in part by the federal
182 government as part of any public service employment program, on-
183 the-job training program or work experience program, provided
184 persons holding such federally funded positions on July 1, 1978, shall
185 not be excluded from membership but may elect to receive a refund of
186 their accumulated contributions without interest.

187 Sec. 6. Section 7-428 of the general statutes is repealed and the
188 following is substituted in lieu thereof:

189 Any member of fund B shall be eligible for retirement and to receive
190 a retirement allowance upon completing twenty-five years of
191 aggregate service in a participating municipality or upon attaining the
192 age of fifty-five years, provided such employee has had [ten] five years
193 of continuous service or fifteen years of active aggregate service in a
194 participating municipality.

195 Sec. 7. Section 7-431 of the general statutes is repealed and the
196 following is substituted in lieu thereof:

197 Any member of fund B separated from the service of the
198 municipality by which [he is] the member employed, except for cause,
199 after completing at least [ten] five years of continuous service but
200 before reaching the voluntary retirement age, shall be entitled to a
201 retirement allowance upon reaching the voluntary retirement age;
202 provided, at the option of the member, the retirement allowance may
203 commence on the date of such separation and be payable in such an
204 amount as may be determined by the Retirement Commission to be the
205 actuarial equivalent of the retirement allowance that would have been
206 payable except for the election of such option.

207 Sec. 8. Subsection (a) of section 7-436b of the general statutes is

208 repealed and the following is substituted in lieu thereof:

209 (a) Any member of fund B of the municipal employees' retirement
210 system, who, prior to [his] such member's date of employment with a
211 municipality [which] that is participating in said fund B, served in any
212 branch of the armed forces of the United States during the times set
213 forth in section 27-103 shall be credited with the period of such service
214 to the extent that [he] such member makes contributions to said fund
215 for all or any part of the period of such service, except that any veteran
216 who becomes a member on or after October 1, 1984, shall not receive
217 credit for such war service if [he] such member has received or is
218 entitled to receive any retirement allowance for the same years of
219 service from the federal government. Such contributions shall be
220 computed at a rate of two per cent of [his] such member's first year's
221 salary as such employee, with interest at five per cent per annum,
222 payable within one year of such employment, or on or before January
223 1, 1992, whichever is later, provided such contributions are made prior
224 to [his] the date of retirement. The period of such service for which
225 contributions to said fund are made shall be counted for the purpose of
226 computing the amount of [his] such member's retirement allowance,
227 provided such member shall have completed [ten] five years of
228 continuous service or fifteen years of active aggregate service with a
229 participating municipality or shall be retired prior thereto due to
230 disability incurred in the course of [his] employment. Any member
231 who purchases credit pursuant to this section and who later receives a
232 retirement allowance for permanent and total disability under this part
233 shall, upon [his] written request, be refunded all such contributions
234 paid under this section, provided such military service credit did not
235 serve to increase the amount of disability retirement benefits for which
236 [he] such member was eligible.

237 Sec. 9. (NEW) Each participating employer may pick up the member
238 contributions required by section 7-440 of the general statutes, for all
239 compensation earned on and after January 1, 2002, and the
240 contributions so picked up shall be treated as employer contributions

241 in determining tax treatment under the United States Internal Revenue
242 Code and the Connecticut Income Tax Code. The employer shall pay
243 these member contributions from the same source of funds that is used
244 to pay earnings to the member. The employer may pick up these
245 contributions by a reduction in the cash salary of the member, or by an
246 offset against a future salary increase, or by a combination of a
247 reduction in salary and offset against a future salary increase. If
248 member contributions are picked up, they shall be treated for all
249 purposes of the Municipal Employees' Retirement Fund in the same
250 manner and to the same extent as member contributions made prior to
251 the date picked up. Municipalities participating in fund B may adopt
252 this section for their members. Such election shall be made in a manner
253 prescribed by the Retirement Commission.

Statement of Purpose:

To improve the level of benefits available to members and survivors under the municipal employees retirement system and the Police Officer and Firefighter's Survivors Benefit Fund.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]